

STAND. COM. REP. NO.

169

Honolulu, Hawaii

FEB 05 , 2025

RE: H.B. No. 1308

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 1308 entitled:

"A BILL FOR AN ACT RELATING TO SPORTS WAGERING,"

begs leave to report as follows:

The purpose of this measure is to allow for the regulation of sports wagering by the Department of Business, Economic Development, and Tourism and to specify that sports wagering and fantasy sports contests do not constitute gambling.

Your Committee received testimony in support of this measure from BetMGM; DraftKings; Iron Workers Stabilization Fund; Sports Betting Alliance; and one individual. Your Committee received testimony in opposition to this measure from the Honolulu Police Department; Boyd Gaming; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Taxation; Department of Business, Economic Development, and Tourism; and Office of Information Practices.

Your Committee finds that sports wagering is widespread in the State through an unregulated, illegal market. Your Committee further finds that regulating sports wagering would protect consumers, generate a new stream of revenue for the State, and stifle the illegal market. This measure addresses this need by

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allowing for regulated, mobile sports wagering and legalizing fantasy sports contests.

Your Committee has amended this measure by:

- (1) Changing the regulatory entity from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (2) Clarifying the extent to which the Department of Commerce and Consumer Affairs is required to keep certain information pertaining to a sports wagering operator licensee or applicant confidential;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the percentage of all taxes collected that will be deposited into the Problem Gambling Prevention and Treatment Special Fund is currently unspecified. Your Committee respectfully requests your Committee on Finance, should it choose to deliberate on this measure, to consider the rate other states that regulate sports wagering have used for similar funds or purposes. Your Committee also respectfully requests your Committees on Judiciary & Hawaiian Affairs and Finance, should they choose to deliberate on this measure, to consider the testimony from the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1308, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,



GREGGOR ILAGAN, Chair



